

Message Text

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FOL TEL SENT ACTION SECSTATE FROM ROME DTD 26 APR 1976 QUOTE

S E C R E T ROME 6680

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DEPARTMENT PASS WHITE HOUSE FOR GENERAL SCOWCRAFT

E. O. 11652: XGDS-1

TAGS: PINT, PFOR, IT, US

SUBJ: LOCKHEED

1. AMBASSADOR FEDERICO SENSI, DIPLOMATIC ADVISOR TO THE PRESIDENT OF THE REPUBLIC, CALLED UPON ME ON AN URGENT BASIS EVENING OF APRIL 23 TO DISCUSS THE LATEST LOCKHEED DEVELOPMENTS ARISING OUT OF THE FIRST BATCH OF MATERIAL RECEIVED FROM THE CHURCH COMMITTEE TRANSMITTED IN ACCORDANCE WITH THE BILATERAL ACCORD ON THE SUBJECT. SENSI MET WITH ME AGAIN AFTERNOON OF APRIL 24 TO DISCUSS THE MATTER FURTHER.

2. SENSI DESCRIBED PRESIDENT LEONE AS BECOMING INCREASINGLY IRRITATED AT THE RASH OF INSINUATIONS ABOUT HIS ALLEGED INVOLVEMENT IN THE LOCKHEED AFFAIR WHICH HAVE BEEN STIMULATED BY LEAKS OF THE ALLEGED CONTENTS OF THE LATEST

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MATERIAL. IN STRICTEST CONFIDENCE, SENSI ADDED THAT HE WOULD

NOT RULE OUT THE PRESIDENT RESIGNING IN ANGER AND FRUSTRATION WERE HIS NAME TO BE SUBJECTED TO A CONTINUING CAMPAIGN OF ALLEGATIONS AND UNFOUNDED ATTACKS.

3. ACCORDING TO SENSI, THE FEELING AT THE QUIRINALE IS THAT THE AIR MUST BE CLEARED AS SOON AS POSSIBLE TO MINIMIZE THE POTENTIAL DAMAGES TO THE HIGHEST INSTITUTIONS OF STATE AND TO THE CHRISTIAN DEMOCRATIC PARTY. THE QUIRINALE IS AWARE, BASED ON THE EXCHANGE OF VISITS BETWEEN PRESIDENT FORD AND PRESIDENT LEONE, OF THE FORMER'S UNDERSTANDING OF THE GRAVITY OF THE ITALIAN SITUATION AND OF THE IMPACT THAT THE CURRENT SCANDAL COULD HAVE ON THE FUTURE OF A DEMOCRATIC ITALY.

4. UNDER THE CIRCUMSTANCES, SENSI STRESSED HIS HOPE, PRESUMABLY REFLECTING THE VIEWS OF PRESIDENT LEONE, THAT IT WILL BE POSSIBLE TO GET TO THE ROOT OF THE LOCKHEED MATTER SOONEST AND THAT THE AMERICAN AUTHORITIES FROM THE HIGHEST LEVEL ON DOWN WILL COOPERATE WITH THIS EFFORT. SPECIFICALLY, THE QUIRINALE BELIEVES US AUTHORITIES COULD BE HELPFUL BY USING THEIR INFLUENCE TO INDUCE PRESENT OR PAST LOCKHEED OFFICIALS TO COME FORTH WITH THE REAL FACTS INVOLVED IN PROMOTING THE SALE OF THEIR AIRCRAFT IN ITALY.

5. CONCERNING THE PRESENT MATERIAL, SENSI SAID THE MOST UNFORTUNATE ASPECTS, JUDGING FROM THE LEAKS APPEARING IN THE PRESS, ARE THE VAGUENESS OF THE INSINUATIONS WHICH IMPLY THAT POSSIBLY THREE INDIVIDUALS WHO SERVED AS PRESIDENTS OF THE COUNCIL OF MINISTERS (LEONE, MORO, AND RUMOR) COULD ALL BE INVOLVED IN THE EPISODE. WHILE THE QUIRINALE DOES NOT THINK THAT ANY OF THE THREE ARE CONNECTED WITH THE SCANDAL, THE VAGUENESS OF THE WORDING POINTS NOT TO ONE BUT POTENTIALLY TO ALL THREE AS BEING LINKED TO THE SCANDALS. THUS, EITHER A LOCKHEED DENIAL THAT ANY OF THE THREE WERE INVOLVED OR THE NAMING OF THE PERSON OR PERSONS CONNECTED WITH THE PAYOFFS WOULD END THE CURRENT UNSUBSTANTIATED ACCUSATIONS. ADDITIONALLY, THE
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QUIRINALE FEELS THAT THE PHRASE IN THE BIXBY SMITH LETTER TO THE EFFECT IT IS NECESSARY TO DEAL WITH A "PRIME MINISTER" IN ITALY TO GET THINGS DONE IS MERELY SUGGESTIVE AND IS NOT PROOF THAT THIS IN FACT OCCURRED IN THE LOCKHEED CASE. ACCORDINGLY, A DENIAL FROM LOCKHEED THAT THE COMPANY TOOK BIXBY SMITH'S ADVICE WOULD GO A LONG WAY IN REMOVING THE AIR OF SUSPICION THAT IS CAST BY THIS USE OF

WORDS, IF IN FACT NO ACTION HAD BEEN TAKEN ON HIS RECOMMENDATION.

6. COMMENT. I SHARE THE QUIRINALE'S BELIEF THAT THE TIME HAS ARRIVED TO GET TO THE BOTTOM OF ALL THE LOCKHEED ACCUSATIONS. NOT ONLY WILL THE FORTUNES OF THE CHRISTIAN DEMOCRATIC PARTY BE SEVERELY DAMAGED BY A CONTINUING FLOW OF UNSUBSTANTIATED ALLEGATIONS BUT ALSO A CRISIS OF INSTITUTIONS WILL BE ADDED TO THE ALREADY DIFFICULT POLITICAL SITUATION PREVAILING IN THE COUNTRY. I FULLY RECOGNIZE THE LEGAL AND OTHER CONSTRAINTS THAT COMPLICATE OUR ABILITY TO ENGAGE OURSELVES IN THE EFFORTS TO GET TO THE BOTTOM OF THE LOCKHEED SCANDALS AS THEY PERTAIN TO ITALY. NEVERTHELESS, WITH THE VIRTUAL CERTAINTY OF ELECTIONS IN JUNE, WE MUST RECOGNIZE HOW HARMFUL IT WILL BE TO THE INTERESTS OF OUR ITALIAN FRIENDS AND TO OURSELVES SHOULD THE PRESENT SITUATION BE ALLOWED TO DRIFT THROUGHOUT THE COMING WEEKS AND INTO THE ELECTORAL CAMPAIGN PERIOD. IT BEHOOVES US TO REFLECT SERIOUSLY ON THE MESSAGE WE HAVE RECEIVED FROM THE QUIRINALE AND ON THE SIMILAR ONE WE RECEIVED FROM THE CHRISTIAN DEMOCRATIC LEADERS (ROME 6664) TO ASCERTAIN WHETHER THERE IS ANYTHING WE CAN CONSTRUCTIVELY DO AT THIS CRITICAL JUNCTURE. I WOULD APPRECIATE RECEIVING EARLY GUIDANCE ON WHAT I CAN TELL AMBASSADOR SENSI IN RESPONSE TO HIS APPROACH. VOLPE UNQTE SISCO

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